

**FORT MORTGAGE!**



**Issue #1**

**FIRST TIME HOME BUYING.. FOR  
PUNKS.**

**"Buying a house?! That is *so* not punk"**

Squatting – I get it. I did it and earned my badge and I'm over it. But I don't know where the idea that paying someone else's mortgage (ahem PAYING RENT) is more legit (or punk) than investing in your own and making the best of it.

Dave and I started talking about buying a house early on when we started dating. I had been trying to buy a house for 2 years, but some emergency kept coming up and my savings would go down the tube. I think a little after a year we decided that we were going to go forward with it. We'd only been dating a year but we were both on the same page about wanting to stay in Chicago, be together, and buy a house. We made a pact that in 2008 we'd find a realtor and start seriously looking at houses. Fortunately, a good friend of ours, Sarah Jean, and her partner Eric (also punks) had just finished a closing in McKinley Park. SJ and Eric bought a 4 bedroom, 2 bath house near 35<sup>th</sup> and Damen. They had the first hand experience we needed to calm our fears that this was actually an attainable idea and we could do this. We attended their housewarming and instantly fell in love with the neighborhood.

OK, I lied. It did take some convincing to embark on this endeavor because I loved my neighborhood (Logan Square). I loved my neighbors, my apartment, my block, the weird guy with the goiter on his neck, the 20983409234 Mexican food joints, the 30 second walk to the train, etc. I didn't know if I'd be able to give up waking up at 7:45 am to catch the 7:50 am train. But it was due time to leave the comfort of my bachelor pad. Time to start a new life with the person that I loved - combine our zine collections, complain about who left the wet towels on the floor, etc. I'd had some experience with the house buying process because I'd helped my mom purchase a couple years ago in Florida. However, that wasn't such a great experience because we both had crappy credit (who cares about credit scores when you're punk as fuck. yeah, I was stupid), had barely any money saved, and houses in Florida pretty much suck. Either the houses look like trailer homes that lost their wheels, or these extravagant mortar brick homes in peach and

other nauseating beach-colored themes. HATED IT. But anyway, I digress...

After I graduated college, my credit was pretty much shot. I had spent years eating out of dumpsters, living with 45 people in 2 bedroom apartments, and living as cheaply as possible by stealing as much as possible. On the other hand, I was also supporting my family back in Florida and had taken out several credit cards (you know those applications that fill your mailbox the first day of college? yeah, I fell for it) to be able to provide. I never caught on to the idea that you have to have the money to be able to pay back what you borrow. I had grown up poor and was used to the idea that if you couldn't pay for it, just put it on credit. It's the curse of the poor - get whatever you can by any means so that the Joneses can't tell how poor you are. The debt had caught up to me and all I could do was never answer the phone and rip up all bills I received in the mail. Here I was fresh out of college with a new job and a decent wage and I couldn't enjoy it because Visa had a bullseye on my forehead. Somewhere I decided it was time to start repairing the damage I had done. So I went back to doing what I knew how to do best, living as cheaply and as "punk" as possible. I moved, squatted, and crashed anywhere I could to ensure that the most I had to pay to live was \$100 at most. Everything else was used to pay off my debt. After 4 years of scraping, I managed to get out of the red. My credit score wasn't bad, but at least I didn't have creditors threatening to brick my windows anymore and I could answer my phone now.

I somehow decided it was a great idea to pack up life and move to Chicago with my friend, Mark, with little savings and no job lined up. Six months of unemployment and the creditors had me in a headlock again. I managed to con my way into a pretty awesome job in the research field at a university and spent a year repairing my financial mistakes. I got rid of my car that I rarely used and put the money I was using to pay insurance in a savings account. Applied for some better cards and bam! I was rolling in credit score bliss! Though I had fixed all my financial mistakes and credit lenders didn't immediately ban me from all loan applications, I still didn't think I had the savings to pull this off alone.

SJ gave us some tips and referred us to her team - a realtor and a mortgage broker. Dave and I talked about it and decided that we would start getting serious in January of 2008. Dave sent her an email about our current situation (we are two kids who have no clue and yadda yadda) and she immediately responded with a pleasant email that she would take care of us. Julie Siragusa was awesome and kept her word about taking care of us. We both are without cars and house shopping in the dead middle of a cold, Chicago winter so bikes were not an option. Julie would pick us up, drive us around, and then give us a ride home. She never blinked an eye when we wanted to look at houses that were a light match way from becoming a pile of rubble and she was always honest with us when we were considering houses no one had any business living in.

What we were looking for was a typical modest Chicago bungalow with at least 3 bedrooms, 2 baths, an unfinished basement for my bike work and Dave's screen printing, a backyard for some garden action, and a garage to house my army of bikes and Dave's drum set. Not too much to ask considering most Chicago homes were originally built to house 15 Polish families. The problem with most of the houses that I saw was that the spaces I care about were so...small. Or ill-designed. I admit that I was spoiled by the houses I lived in when I was in Atlanta - everything was huge, perfect, and CHEAP. Here in Chicago, bedrooms are the size of closets and all kitchens look like an after thought. *HATED IT.* I had to get over that because that's just how homes were built and I know I'd eventually find a compromise.

The first house we looked at was on 36th and Ashland. It was -15 degrees with a wind-chill of -30 below - of course we got there early because we were too excited and had to do laps around the block to keep blood running to our toes. Julie arrived and we introduced ourselves. The house gave me weird vibes. I already wasn't excited about the fact that it was on a very busy street, but we went for it. The house was...interesting. You could definitely tell the house was previously occupied by an old lady who had probably raised her grandchildren here (there was evidence of crayon marks on the walls) and had spent the last of her days there. There were a lot of crucifixes (which creep me out), old newspapers from the 50s, and rad mid-century 1960s furniture the family had failed to haul away, forever forgotten. The kitchen was...OK. The bedrooms were your typical Chicago-sized

bedrooms - rooms slightly larger than closets. The basement was ready for a punk show and the back yard was full of trash. It had potential, but I didn't think it was *the* house.

So, over the next 2 months we looked at 10 or so more homes. Most notable was a house on Pulaski and North. A family still occupied the property and it was completely trashed. It was the type of house a neighbor would probably call environmental services and DFACS on. A 2 year old answered the door, snot-nosed and wearing nothing but socks. We entered and there were piles of trash everywhere - they had forgotten that we were scheduled to view the property. The toddler proceeded to drag me to his playroom and say "you people take my playroom away." I felt guilty and immediately had to leave. It was a foreclosure property and the family was desperately trying to sell before they were evicted in a month. Another notable property we fittingly dub the "skating rink." Now, this would have been the house of my dreams. It was almost everything I dreamed of in a house - large living and dining room, three levels of living space, wood floors, classic Chicago craftsmen woodwork, etc. However, there appeared to be an ice skating rink on the first floor. I'm guessing the house had gone on the market over a year ago and someone forgot to shut the water off before winter hit. A pipe apparently had burst on the third floor and the water had found its way to the basement. The house was so perfect and so cheap. But Dave had to talk me out of this one because the repairs would be astronomical and we had no idea how bad the damage would be. Not worth the trouble. And I don't know how to ice skate.

I found this really nice house in McKinley Park that had been on the market for about a week. It was everything I wanted in a price within our range, so I knew something had to be wrong. I learned quickly that if something sounded too good to be true, it probably was. We went to visit and it was pretty perfect in almost (*almost*) every way. The downsides - it was flush up against an active train line, there was no backyard or garage, and part of the land was owned by the transportation department. It sounded like a nightmare, but we went ahead and put in an offer. Long story short, the seller was nuts and refused to negotiate on the price because she was trying to recoup all the money she had put into rehabbing it along with a healthy profit. That house is still on the market.

We eventually found a house on 34th and S. Archer Ave that was...cute. It had character. It was another case of an old couple living their last days out in a home they had probably raised 3 generations of children in. It definitely needed some help because not only had no one lived there for over a year, but the previous owners had ceased to care about their surroundings and started repairing everything with a mix of duct tape, bubble gum, and a shoe string. Fast forward to the inspection (which costs \$400!), we basically found out that the house was on fire and about to collapse on itself. The inspector was a really nice guy named Chuck, and he basically pulled me to the side and said that we needed to leave now before the basement fell in on our heads and that Dave and I needed to get out of the contract immediately. And this was only after inspecting the basement for 30 minutes. So yeah, that house was a bust. I should mention that I demanded the vintage Chicago Bears tumbler glass collection and the Fat Boys' 1985 single "**CHILLIN WITH THE REFRIGERATOR**" in the house contract. I'm still considering going back to that house (yeah it's still on the market) and stealing those 2 items so I can feel better about the \$400 we "wasted" on the inspection.

After that house fell through, it was back to the drawing board. I was convinced we'd seen every possible house on the market in McKinley Park at that point. We saw maybe 3-4 more houses that all sucked. I was convinced that one of them used to serve as an underground clinic of some sort - though cool, I couldn't see myself living there. Dave found a house that had been on the market for about 2 weeks and we immediately pounced on it and scheduled an appointment the following weekend. Immediately upon entering the house we were bombarded with the stink of nicotine that flared up our asthma. The house was owned by a moderately retired couple who had lived there for 20+ years and decided it was time to go mooch off their son and live the life. (We later found out that they were tools to their Latino neighbors and had "had enough".)

The house needed work, but it looked loved and it felt right. We left excited, and after we'd taken a puff of our inhalers, we giddily

started laughing and begged Julie to go ahead and put in an offer on the house. I think we signed the offer papers right there in the car. The next day was filled with awful anticipation while we waited for their counter offer. The call arrived later that evening and by golly, we had a house! They had accepted our first offer!

Now, the month between signing the contract and moving in are mostly a blur. It involves lots of checks being written, getting the inspection done (we got a discount this time), signing a bunch of papers, locking in a rate on a mortgage and making sure they have everything they need to ensure we'll have the money to pay for this thing, several emotional break downs, and one "FUCK IT I DON'T WANT THE STUPID HOUSE ANYMORE." The closing period was about 3 weeks because we used that as a bargaining tool, but in turn, it made the process extra stressful because things had to move quickly. The closing was pretty simple -met up at some office downtown with the owners and everyone else involved (realtors, mortgage broker, lawyers, etc) and signed a trillion documents. We exchanged checks and keys and we were homeowners!

All in all, the whole ordeal took about 3 months. Our situations worked in our favor because Dave wasn't on a lease and I had a month to month lease. I'm pretty confident that we found the perfect house to make a home. We're still trying to keep it as DIY as possible, or recruit fellow punks for jobs beyond us (I read up on electrical jobs and decided that it is beyond me). You can barely smell the nicotine, and there are wood floors (installed by yours truly) in at least 2 rooms! Occasionally I will have one of those "FUCK IT I DON'T WANT THE STUPID HOUSE ANYMORE" moments because I suddenly have to care about things like the color of the walls, "sweat equity", and whether my dining room chairs clash with the crown molding. I'll save the house renovation horror stories and tips for another zine and instead give you punks some tips if you decide to embark on a house buying adventure.

**Hey Punks! Here are some tips!**

- Get your money right! Pay off as much credit card and loan debt as you can. You don't want to have more than 50% of your debt to credit ratio in use. Basically, if you have \$7000 of credit and you have balances that total to half that, it ain't good because it looks like you can't handle your scrrill (money). Ideally, you want to be using no more than 10% of your total credit allowance. School loan debt doesn't count against you as long as you're current and in good standing. Yes, you have to give a shit about this kind of stuff!

Ex:

Total Credit Card debt (the total of all your credit card balances) = \$1500.

Total Credit Card limits (the total of all your credit card limits) = \$3000

$\$1500/\$3000 = 50\% \text{ of your credit to debt ratio (BAD)}$

Total CC debt = \$1500

Total CC limits = \$15,000

$\$1500/\$15000 = 10\% \text{ of your credit to debt ratio (GOOD)}$

- Check your credit report and scores. Make sure everything on your credit report is yours and not the result of some shady fool using your identity to buy

Japanese girl underwear on EBay and LCD TVs. Got an old gas bill from a punk house you lived in 98 years ago that you had your name on the account and it never got changed and no one ever paid the bill? Dispute it! Some small hospital bill you racked up when you broke your uninsured arm after you got doored by a cab while riding your bike? You can either dispute it and say you paid it off, or call the creditor and set up a pay off plan.

Sometimes they will knock off a few hundred dollars and set up a payment plan for you. Basically, you want all the negatives gone or resolved, and a couple accounts in good standing. Have no credit? Get a credit card! You need to establish some trust with borrowing money!

That's just the way the system works! Bankrate.com is a good source for tips and facts about money and applying for credit cards. Also, almost everyone is entitled to check all 3 credit bureaus (Equifax, Experian, and TransUnion) once a year. You can do so through <https://www.annualcreditreport.com>. The most accurate way to check your credit score is through <https://www.myfico.com>, but basically anything that uses the FairIsaac formula is the right way to go! Yeah, I have no idea how I retained such information, but I'm a homeowner now so I must have done something right.

- Research your city for home buying programs. Some cities will do anything to assist a fellow patron with buying a house just to keep them there another 5-10 years. Your mortgage broker should be well versed in this as well if s/he's worth their two cents. We ended up qualifying for a city mortgage tax refund program that gives us a little bit more money at the end of the year for the life of the mortgage. Check out your state's department of housing and development (HUD). Chicago: [http://www.hud.gov/local/index.cfm?state=il&topic=home\\_ownership](http://www.hud.gov/local/index.cfm?state=il&topic=home_ownership)
- The listed price of the house is mostly always negotiable, so keep that in mind when you're shopping around. We

ended up paying \$30,000 less than what our house was originally listed for.

- **SAVINGS.** You don't *need* them. OK, you do need a little savings - it would definitely help in your favor. The ideal down payment is 20% of the total cost of the house, but there are some deals where you don't have to put any money down. But you will probably end up paying blasted mortgage insurance. Mortgage insurance is basically a way for the mortgage bank to ensure you're not going to screw them over and not pay your mortgage. There are some banks that say that they will waive this - this may be true, but always read the fine print and have someone with a bit more knowledge read the finer print. Sometimes they end up sprinkling that money elsewhere in your 509850948 fees and you end up paying it anyway. Deceptive fuckers (HEY BANK OF AMERICA), all of them!
- Ask friends and family for referrals for realtors, mortgage brokers, contractors, inspectors, etc. If they treated them right, they should treat you right! We loved our realtor, but wanted to put the mortgage broker in a headlock by closing time. He was really helpful, but kept forgetting to have us complete important documents until the last minute.
- You will have the best experience with locking a good mortgage with an actual human being and not a computerized bank teller. All those online deals that offer you great deals if you just complete their mind-numbing online applications are a bunch of poo. TALK TO A HUMAN. Get on your bike, go to a bank/credit union, and talk to a warm-blooded human. Then take that offer to another bank/mortgage offer and see if they can match it

and do better. Yes, you can do that! Shop for the best option.

- If you're getting a monetary gift to help with the down payment from a parent or a loved one, you will need a letter from them stating that it is a gift not a loan. If not, you may end up on one of those daytime court shows with your mom airing your business trying to convince Judge Judy that you are a crazy serial murderer because you own an "Anti-Cimex "Raped Ass" 7" and you died your hair with kool-aid when you were 14. A gift is a gift. Make sure it is a gift and get it in writing. The bank you end up with will ask you for this, too.
- **DO NOT HIRE OR WORK WITH REALTORS WHO WORK FOR THE SELLER.** Find one that is looking out for your interest, not trying to make a grand profit for themselves and the seller they are working for. Realtors get paid by the seller, so if they are also working for the person you are trying to make a deal with, imagine who could potentially get screwed? Yeah, you!
- If you're going into this with a partner, make sure one of you has the following available to you as much as possible: fax machine, cell phone, access to email, partner's information (more on that later). I walked around with all of Dave's info on a piece of paper and had it on me at all times. It helps that I work in an office and had access to a computer at all times. Also also also! I'm not condoning this behavior but it speeds things up! Ask your partner if they are OK with you forging their signature on documents. I am not saying that I did or did not do this! However, sometimes you get time-sensitive documents and your partner won't get to it until it's too late. You just do what you have to do.

- You're going into this with a partner? Well, I hope you trust each other because you need to know **EVERYTHING** financially about the other person: what's in their bank account, savings, their credit rating and history, 401K, social security number, how much they make, if their parents are gifting them money, whether they shave their pubes, if they put ketchup on their hot dogs, etc. I mean everything. You can't hide anything no matter how shameful or whatever because it will only end up hurting you both in the end. Who cares if you're punk but your parents are giving you \$10,000 to help out? Who cares if you sucked at credit early on and your history is shot? If you can't fess up to your financial facts, how the hell is it a good idea to go rack up a quarter of a million dollar bill (or more) together (if you even get that far)?
- Write up a budget and make sure this is feasible. You do not want to be spare changing on the corner or throwing a benefit show every week to make your mortgage every month.
- Don't look at too many houses on one day because it all starts to blend together by the end of the day. Take pictures or notes while you visit each house of what you do and don't like. Always carry a list of "must haves." Ignore cosmetic stuff. A little paint can do wonders to a room! Judge the room by the basic bones, not by how cluttered it is with the seller's stupid king-sized furniture, tiger mural, and the 98" TV. Bring a tape measure and measure the rooms or check the dimensions online. You'd be surprised how big a room is once all the crap is out of it.

- Get pre-approved with any bank when you're ready to start seeing houses and making offers. Getting pre-approved just means that some bank says you're worthy of their money; it doesn't mean that you have to go with that particular bank when it comes time to lock in a mortgage after your offer is accepted. It's really just a piece of paper that you can waive in front of sellers so they know that you mean business. It's like applying to a bunch of colleges and getting in, but picking the best when you're ready to go.
- Once your offer is accepted, this is when you start shopping for the real deal mortgage! Your mortgage broker is the one that should do all the leg work and find the best deal for you. I tried doing it myself and I mostly got the runaround from the big evil corps. It's ideal to find a broker who is not affiliated with any particular bank so you know that all your options are being explored. If you decide to do the shopping yourself, pitch what you want to the banks. Let them know what another bank is offering you and see if they will low ball it. Avoid "points" when you can, but sometimes it is unavoidable. Also, credit unions offer really good rates to their customers! So do banks that you have been with for a long time! ARMS are scary. 30 year fixed mortgages are the least scary, but sometimes don't offer the best rates. Dave and I opted for a 7/1 ARM because it was the best rate we could get at the time. We will refinance as soon as fixed rates recover from the "recession."
- When in doubt, get a fixed rate loan. That means that the mortgage rate (the percentage they add on so that they make money) will remain the same for the life of the loan. An ARM (adjustable mortgage rate) means that after (let's say it's a 7 year ARM) 7 years, that 4% rate you locked in on can switch to a 14% or a 1% without any warning. It's all a gamble. But don't forget that you can always refinance (get a better loan) before the 7 years are up. You can do that with any mortgage loan.

- Once your offer is accepted, things start moving! You need to find an inspector (expect to pay at least \$350-\$400). Once s/he gives you the OK on the house, things move a little quicker (depending on when you decided to close). Be prepared to offer up chunks of your down payment throughout this process. It's referred to as "earnest money" and it's basically tangible proof to the seller that you're not fucking around and you have the \$\$\$ to prove it. Also, have access to ALL of the money for your down payment. Mom lending you some money? Have her write the check and deposit it in the account (don't forget the gift letter!). Have your money spread out in several places? Relocate it all to one account, or make sure you are able to withdraw from several accounts. Online banking is your friend because there are instances when you'll need to provide banking statements and it's a whole lot easier to go scam a Kinko's and print a copy then to have your bank charge you \$15 to give you a copy that will take 2 weeks to be delivered.
- If the contract falls through because of a bad inspection or something on the seller's end, you should get your initial earnest money back. Sometimes the seller will drag their feet getting that money back to you, so you will need to have some extra money around as back up in case you want to go into contract on another house while you wait for the first check to be refunded. It's your lawyer's job to get that money back for you.
- A good strategy is to schedule the closing date at the end of the month. The reasoning behind this is that it saves you a few bucks because you're going to be paying less pre-paid interest on your mortgage. Basically, if you close on May 29, you only have to pay for 2 days of interest for that month versus closing May 3 and having to pay for the rest of the month up front. However, the benefit of

doing this is adjusted because the later you close in the month, the sooner your first mortgage payment would be due. So, May 29 means your first mortgage bill would be July 1. Closing May 3 would put your first mortgage payment August 1st. Basically, it's less money you have to bring to the closing table. So the later you close in the month, the better!

- Your lawyer is important because it is their job to make sure you're not getting screwed or signing away your human rights. Your lawyer should read every document and explain exactly what you're signing. That is why you pay them! And don't just pick any idiot lawyer – make sure they are well versed in real estate law!
- The most important is to have a check-in system and support each other through this mess. Unfortunately, sometimes it works out that one person has to take care of the administrative crap because the other doesn't have access to a computer or a phone during the day. And I was that person. I basically had to take care of everything because Dave wasn't free during the day. I had to juggle the phone calls, shop for the mortgage, fax, re-fax, sign, research, etc. Then at the end of the day, I had to regurgitate it all back to Dave in some intelligible manner. So take care of each other. Conference call if you can so no one has to bear the burden of all that information. Coordinate calls on lunch breaks, evenings, or the weekends. Share the load any way you can! I honestly don't know how Dave and I would have done this without the other.

### A typical closing

- The offer: Submit a copy of the contract. Initial earnest money check for \$1,000 due (usually a money order or cashier's check). Pre-approval letter from your mortgage lender (that letter you got from whatever bank you applied to saying "yeah, we'll lend you some money!")
- Negotiations happen between you and the seller. Basically agreeing to the terms of the contract and anything you may have asked for (covering your closing fees, including the washer/dryer and the vintage 1985 Chicago Bears poster in their den, etc)
- After the seller accepts and signs off on the contract, the clock begins to tick.

### Closing Timeline for a 30 day closing:

**5 business days:** The buyer has five days to complete a professional **home inspection** on the property. Inspections range from \$275-\$550. Ask your realtor for any inspector recommendations. You will need to be present for the inspection and I recommend you follow the inspector around and ask questions. They should provide you with an in depth report after they're done if they're worth a dime.

**5 business days:** The buyer's attorney has five business days to **review the contract and all accompanying documents, budgets, by-laws, inspections reports, etc, and must raise any potential issues.** Basically, your lawyer need to read the fine print and make sure you're not getting screwed or that there isn't a crazy lien (a "hold" on a house that means a contractor did work on the house to improve the property and didn't get paid. So, they prevent you from selling until they get their scroll) on the property, unpaid taxes, or anything that could potentially screw you over after keys are exchanged.

**6 business days:** The buyer's additional earnest money is due; **usually the balance of 5% of the purchase (5% minus the initial \$1000 you already paid)** is usually due 1 business day

after the expiration of the attorney/inspection period. After the inspector gives you the OK, and your lawyer doesn't find anything shady, you need to pay up the balance of your earnest money.

**25 days:** The buyer's mortgage broker should secure financing and deliver a mortgage commitment within this time. In order to ensure the buyer can secure his/her mortgage, the buyer must deliver all necessary pay stubs, tax records, etc that the mortgage broker requests in a timely manner. You should start collecting pay stubs, your last 3 years of tax records, bank statements, etc as soon as you start the house buying adventure. Immediately after the contract is accepted, the buyer should start an application for financing (this is when you actually get the loan, not just get pre-approved). The buyer is responsible for paying for the appraisal (the bank sends someone out to inspect the house and make sure it is worth what you're paying for it). Appraisal ranges from \$250-\$325.

**Before closing:** The buyer will do a walk through on the property 1-2 days prior to the closing to ensure that it is in the same condition as when you purchased it. The seller should be moved out by then, so you should be able to see the house empty and make sure they weren't hiding any weird blood stains where their dresser previously was. With new construction, the buyer will write up a punch list for the developer of items that need to be completed/repaired. Developers usually give themselves 30-60 days to complete the punch list (after closing).

**Closing:** Buyers will need a cashier's check made out to the buyer to cover closing costs and the remainder of the down payment, if necessary. This is just any money left over after the seller covers whatever they said they would. Bring your photo ID! You meet up somewhere with the lawyers, the mortgage broker, the sellers, and sign a billion documents. Your lawyer should explain to you exactly what you're signing if you have any questions. Bring a snack! You will receive the keys and remote controls for the property after everything has been signed and final checks have been completed.

Good luck and don't get discouraged. Once it's all over you realize that it wasn't so bad.

If you have any questions, feel free to email me (Kisha) at  
[todayneverhappened@gmail.com](mailto:todayneverhappened@gmail.com).

Chicago Realtor: Julie Siragusa Koenig & Strey GMAC Inc  
[jsiragusa@ksgmac.com](mailto:jsiragusa@ksgmac.com)

Chicago Real Estate Lawyer: Seth Feldman [srflaw@gmail.com](mailto:srflaw@gmail.com)

Chicago Inspector: Chuck Ryan 773-447-5598

## Keep your eyes open for Fort Mortgage part 2: the Rehab edition!



«Getting the right loan means making sure you have enough money. The right loan means getting the right loan.»

**Now flip over and read the other side of the zine!**

«Getting the right loan means making sure you have enough money. The right loan means getting the right loan.»

«Getting the right loan means making sure you have enough money. The right loan means getting the right loan.»

# FORT MORTGAGE:



**PUNX BUYIN' A HOUSE!**

**Issue #1**

## **we some grown house punx!**

Some people, when they heard (or I've told them) that I bought a house-- ask me if it was hard. If it was a difficult thing to do. I've been thinking over the past month of my responses and what they mean. I've had enough time here to reflect on the process and what was hard and what didn't phase me and what was exciting, etc. The first kind of reaction I've gotten from friends, co-workers, etc about buying a house was the money. How expensive a house is. I think we all perceive money in a similar way. If something is a certain price "plus ninety nine cents" that makes us feel like we're getting a deal. If something is a price we can pay all at once, then that's a good deal. Nobody puts a t-bone steak on layaway. But once you creep past the thousands, once you involve banks and interest and loans and maybe add in a lawyer to help you, then it gets sticky and out of hand. But I wouldn't even say the "amount" got me down or

worried me. I knew I wanted to buy a house a few years back. I knew I wanted to live in Chicago. I didn't know who I would be with when I did, or who I would even be. I didn't know how much houses really went for, or what my budget was. But back then (and now still) I knew how to live cheap. I didn't mind (at the time) living in a house with ten other punks, just so I could have my rent share be a hundred bucks. I could, and do, and enjoy, eating beans out of a can. Simple things, cheap things, and the "hardships" I took on, didn't bother me. I lived pretty much like a scumbag though. I worked, ate out of the dumpster, didn't do drugs, didn't rack up a cell phone bill, I didn't charge things I knew I couldn't afford, and basically trimmed out any extra expenses out of my life. Eventually, this led to me having extra money in the bank. I didn't know what to do with it. I didn't want to spend it all on something "fancy" (that would be boogie, and certainly not punk). What would be the point to save money just to spend it and have to start over

again? I was (trying) to live on the fringe of society without money, but somehow having it in the background made me feel a bit safer in case the whole Anarchist thing didn't work out. What faith I had. So I took the extra money I had and put it in a Moderate Risk Mutual Fund. I figured it was just like a big piggy bank, and once I sent it, I couldn't spend it and there for it didn't exist. I wanted to "set it and forget it" with my savings. Every few months I'd toss some money into it, and I'd sort of lose track of how much I had saved. I didn't think I was doing anything unusual. I lived well within my means, I didn't want debt to follow me, I saw the flaws of renting, and money can come in handy when you need it. Money was a tool to me. Sometimes you just need the right tool for the job. When dumpster diving and shoplifting wouldn't work, good 'ole money did the job. I just didn't want to spend money if I knew I didn't have to. Why buy toilet paper when I could steal it from the bathroom of a grocery store in the huge ten thousand sheet roll?

Why buy bananas when the good ones I like are being thrown out? Why buy when I could steal? Who knew stealing could save me so much money! Now this is not to give the impression that stealing is the only way to save up money. Or I thought things like "I'll never get that house if I keep buying orange juice, better steal it..." I was just in the thick of it all, trying to scam society in every way I could. Free orange juice and photocopies was my way of sticking it to the man.

It wasn't until later where I felt the money I was saving was for a house and knew I had something to work for. I was no longer just stashing money for a really long rainy day, or to buy some kind of mega-hover-bike. It was for a house. Then I met Kisha. (Insert trumpet fanfare here). While the story of how I met Kisha is a long, beautiful, twisted ironic story - it doesn't have much to do with how we ended up buying a house. But since this is a zine and zines are supposed to be fun, I'll sum it up. One

summer I dated a bunch of guys who were all total suck bags. I wanted to meet some girls to date. I finally met Kisha. After a half an hour on our first "date" (we saw Team Dresch) we realized we knew each other from the mid 90s NYC punk scene and we used to trade zines back then. Blah blah blah, fast forward - and now we pee with the door open in our own home. About a year into our courtship, we started talking about buying a house. We realized we wanted a lot of the same things and wanted to be here, in Chicago -- together. That's when things started to feel possible, when they started to feel real. I knew buying a house alone would be more expensive than I could swing, and end up being sort of depressing to buy a house and live alone in it. Now I had a partner, someone I love and trust and want to build a future with.

We spent a few months on various Chicagoland websites looking at houses. Just to get an idea of what we could expect, what we could afford, getting

an idea of where we'd want to live, etc. So we said on January 1st of the New Year, we'd actually go out with a realtor and look at houses. We started looking at houses. Some were really awesome and some were total pieces of shit. We looked at houses all over the city, but mostly stayed on the South Side and a few on the Northwest Side. The South Side of Chicago was the place we wanted to live. You just seem to get a bit more bang for your buck down here. Kisha and I also agreed that we wanted to live someplace... not really "boring" but quiet and residential. We didn't want or need to live in an area that has a strip of bars or clubs or restaurants on every corner. We didn't want to live in a busy area that's congested and trendy and hip and having organic scores shoved down our throats. We just wanted a fucking place to live. Looking at the "For Sale" websites and such, we didn't want to pay an extra hundred thousand for location or a cool address. We didn't want to live in a condo, with condo fees and rules and all sorts of crap. We

wanted a back yard. We liked the classic Chicago bungalow. We didn't want to live in the suburbs. We didn't want to live too far in any direction. We saw houses that were too expensive, too far away, too dirty, too on fire, too flooded, too dilapidated. We saw houses that we liked, except for this and that detail. We saw houses that would be perfect if only... You know what we mean? Unless you have millions of dollars, no house will be "perfect". I guess here is where it comes into the hard parts. With the exception of my parents' house where I grew up, I've always lived in pretty scuzzy houses. I've never had to care about things like trim, lot size, hardwood floors, central heat or air. I've never had to care about any of those things, because I wouldn't be staying around an apartment that long. I never had to consider most things that people look for in a house. I had no idea what I was really "in to". I've never in my life said "oooh, granite counter tops" or "I really don't prefer that color orange in the shower." Everything was for

function, and I didn't feel I needed to be visually pleased in any or every aspect of things. Any couch I could drag in from an alley was good enough. If it had puke stains, just flip the cushions. So what if some junkie OD'd on it? Like I said, I was living cheap and didn't think "oh man just a few more weeks and I can get that white leather couch that'll really tie this squat together!" So suddenly, here I was with a few years worth of savings trying to care about things I never did before.

I guess it was over those weeks and months where I learned my limits and what I was comfortable with or what I liked. I didn't like the house that only had three walls instead of the usual four. I didn't like the house that was just on fire, or the one with the floor covered in ice from exploded plumbing. I liked the house with the bright open kitchen, I like the house with the back yard, I liked the house that

had the sixties kitchen decor. It was interesting to go into houses and realize that people lived there and raised kids and had families and were happy there. And in some cases, they lived their lives and then they died and the house is up for sale. It was un-nerving to see the house with the people still in it, and Kisha and I would feel like invasive voyeurs - hoping we're not the face of evil - kicking people out of their homes. "Hey looser, get out of here so I can gut your house and put in a marble Jacuzzi tub while you go live in a Motel Six on South Cicero Avenue.. Next time try not to have so many god damn kids!" Then we saw a house we liked. Holy crap, we liked it. After we saw it, we were having lunch at Huck Finns, just down the street and on my third cup of coffee we said "Lets do it, lets make an offer" and it's supposed to be this big dramatic thing, where we twirl each other about and Kisha hoists me into her arms. It was some faxing and waiting and hoping and trying to not get our hopes up, and waiting around more. The whole thing with

making offers is it's a strategy. It's a game. You never agree to pay what they're asking. You don't want to low ball it too much. You want to make an offer that gives you some room to counter offer with and still stay in your budget. You want to be able to move around. And since we learned it was a "buyers market" that we would have the upper hand in these deals. Meaning that there were more homes on the market than people buying them -- and people really wanted to sell their places. We'd see houses on the market for over a year and they'd come down over a hundred thousand dollars in price. So we had this attitude that we could just offer someone ten bucks and a bottle of Skol and they'd fork over the keys. But it doesn't always work out like that.

Halfway between ignorance and reality were two houses that fell through. The first house, although

how much we loved it and I got really attached to it emotionally (it was just so lovely) it just didn't work out. Sometimes when trying to buy a house, you and the seller just don't agree on the terms. It's not like buying a pair of underwear at the thrift store or a PlayStation at Best Buy. Houses are negotiable. You can say "throw in that washer dryer and you got a deal..." or "fix that foaming toilet and we'll talk..." It's a benefit of contracts, is you can include anything you want. It doesn't mean that the sellers have to or will agree, but you never know 'til you ask. After three or four offer and counter offers with the house we liked, we realized that we weren't going to agree on terms. The seller wanted a certain price, and we weren't willing to pay it. It doesn't get any simpler than that. We thought she was asking too much for the place.

Now something that'll help you figure out if you're getting a good deal or not is called "comps". And your real estate agent will help you with this. That means more or less what similar houses in the same area are going for. It's not too common where a million dollar house will be right next door to a house that's only going for \$100,000. At least not here in Chicago. You can also, during your offer process, find out what the seller paid for the property originally and when they bought it, etc. In our case, it turned out the seller bought the house for an absurdly cheap amount, and was trying to sell it for a... rather large profit. Despite all the upgrades, and how nice the house was - there were still some things that were keeping the value down. Just think of it like this: even if you have the nicest house ever, with all the best upgrades - but it's next to, say, a festering garbage dump ... That garbage dump will keep the value down. Not many people want to live next to a festering dump, right? So there are outside factors out your control that can

help or hinder your sale/purchase. (In the case you think "A garbage dump? My favorite!" then you just got a great deal.) So we didn't think the seller was being fair to us, taking into consideration the house was right next to some train tracks, had a tiny, concrete yard, and no garage. It was missing a lot of things that are pretty typical with Chicago homes. While Kisha and I didn't care *that much* we knew it would be a hard sell later on when we were ready to sell the house. So after a week or two, the lady selling the place wouldn't come down to our final offer price and we had to walk away and end it all.

The search went on. We looked at more houses - some just a block or two away from that first house. To sum it up, we saw a lot of crap. And by crap I mean: Nice houses, but just needed too much work and money to make them something we'd be happy with. It didn't make sense for us to buy a house for so cheap, and then have to pump \$60,000

into it. It wasn't money we had to throw around, plus add to the stress of redoing a house and time it took and all that sort. Would we buy the house and not be able to live in it for three months -- thus adding three months of wasted rent money, waiting for our place to be ready? We wanted a place that was some where in the state of "we could live in it safely and comfortably" and also "we can slowly fix it up bit by bit." We then found a house on West 34th Street. We liked it. It wasn't everything in the world, but had enough going for it - and the price was right. We decided we could do without some of the things we'd wanted at first if it meant a good deal, and money left over later to improve. Small bedroom, but potential to make it bigger. A big unfinished basement and attic. Big, dramatic, glass murals of tigers on the wall! Shiny hardwood floors. A kitchen in avocado green. A back yard I imagined playing with a big dog in over the summer. The seller was on their death bed and was so happy to get a real offer on the house, their

health improved. We were so close to taking this house... So close, I even remember writing down my name and new address just to see how it looked. (Creepy, yes?) It would all come down to an inspection. An inspection is sort of a pain in the ass, but well worth it. You pay someone a few hundred dollars and they'll tell you about the house - the structure, the plumbing, the electricity, the foundation, if there were termites, if it's about to fall over in a cross wind. And getting a phone call from Kisha that afternoon --- saying "Sooo... this house is a huff and a puff away from falling over on top of itself..."

We ran away from this house as if it was a ticking time bomb. The seller was bummed we left their doomed money pit to rot on the market until the next buyer came across it. Just because a house has nice floors or a clean kitchen, doesn't mean it won't collapse on top of you while you're making Cup-A-Soup in your underwear on a Saturday morning.

After that we felt doomed. Sort of doomed. If things didn't take a change, we'd start expanding our locations. We were looking at houses near Midway, on the farther southwest side of Chicago. We had a few more places worth looking at, and it started to feel like a last ditch effort. The thing with houses is that the more hell bent you get on something (be it: price, location, color, bathrooms, etc) the more it limits you. Now some things can't be negotiable (i.e.: it needs at least two bathrooms - for whatever reason - or it can't be in Wisconsin...) but if you get hung up on dumb shit like "It must have a yellow kitchen.." or "It must be exactly half a block from the train and be blue and have a back porch.." Then you start to limit where you can live. You've got to be a) a millionaire or b) flexible.

The third and final house we saw we pounced on. It looked like the perfect amount of livable plus potential. It was in a good location, not far from things we wanted (bus, train, friends) - big space,

back yard, garage. We were on it like shit on a shoe. When we saw it, it looked just like the pictures on the Internet. We saw a future, we saw potential. It was an older couple who owned the place for about twenty five years. Had their kids, raised them here, and now it was time to move on some place else. We were happy to take the place off their hands. They took our first offer and we were floored. They wanted to sell, we wanted to buy and it was just that simple. And even though the place was listed "as is" (meaning... "Hey, the roof may be caving in and that's just a picture of a floor."), they agreed to give us a \$900 credit to fix some stuff around the house. "As is" places are pretty common, and usually means a seller doesn't want to put any more money into their property. They just want to sell it. But sometimes a few hundred dollars means making a sale and not making a sale, some sellers will cough it up just to sell the dang place. We were bummed they didn't want to include their really nice washer/dryer - but

hey a deal is a deal and we were getting a good one. After the inspection went well, it was just two and a half weeks to pack and wait and get excited until the closing.

The closing was... sort of boring? After all the waiting and excitement, all you want to do is sign what you have to. You're already getting the house so let's just get all this crap over with. It's amazing how many things you'll have to sign. Sign this document, and then sign another one to prove you signed that other one. Sign, sign, sign. We had our apartments full of boxes, had been wearing the same clothing for four days solid and all we wanted was to have the keys in our hands. We had to meet with our lawyer and the sellers at some downtown high rise. It was sort of like meeting all the actors in a great performance. All the parties came together at nine am to sign some papers and sell a house. It was in a nice office downtown. The kind of place with locked bathrooms, snacks and coffee

in the lobby. The coffee gave me the farts, and I swiped some granola bars for Kisha. The sellers needed a few breaks to go outside and smoke. I thought there would be some sort of dramatic moment when we were done. But no, not this time, or not for us. When we got done, we looked at each other and said "Was that the last paper to sign?" "Is that it? Are we done?" and our lawyer had to thumb through some things and say "...yeah, I think that's it." It wasn't like running through the finish line tape or anything. Nobody hoisted us up and told us we were great. It was just "uh, oh... hmm. I guess that's it. The place is yours." and the sellers had to pry their keys off their key chains and hand them to us. I at least wanted them to dangle them into our hands and say "Congratulations!" but instead they said something like "Take care of our home..." and we waved to them as we left the building to go about our own business, as homeowners.

**If you have any questions, you can email me  
(Dave) at [tacolove@gmail.com!](mailto:tacolove@gmail.com)**

**up da punxxx**